
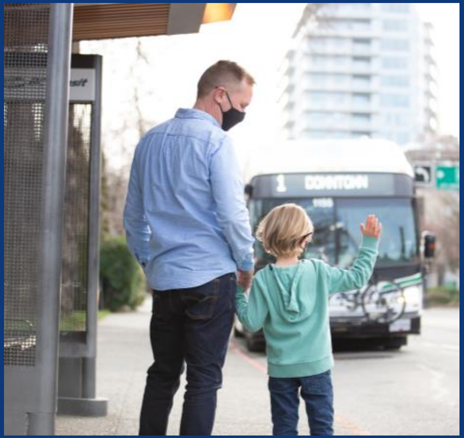


#9 - 2025/26 Budget and Tax Regulation

March 11, 2025

Purpose

- The 2025/26 Budget and Tax Regulation is submitted to the Victoria Regional Transit Commission **FOR APPROVAL.**

Outline

- Key Budget Drivers and Influences
- 2025/26 Budget
- Property Tax Options
- Recommendation

Key Drivers/Influences

Service Levels

- Base service of 1M service hours (includes annualized 2024/25 expansion)
- Cost of annualized expansion = $1.6M (including lease fees)
- 2025/26 conventional service expansion reflects 6,250 part-year service hours with implementation in January 2026

Expenses and Inflationary Pressures

- Materials inflation includes maintenance parts (8%), software (10%) and insurance (5%)
- Diesel has been budgeted for 2025/26 at $1.75 per litre, with conventional diesel consumption up 442K litres (5%)
- Increases to conventional facility maintenance (repairs, janitorial, plumbing, electrical) and expenses related to new View Royal handyDART Facility

Key Funding Items

- Budgeted passenger revenues for 2025/26 are projected in line with 2024/25 forecasted passenger revenues
- Fuel Tax Revenue is $17.3M in 2025/26, down from $17.9M in 2024/25
- The remaining Safe Restart funding was used in 2024/25, and therefore no Safe Restart funding is included for the 2025/26 budget

Labour

- General wage increases are **budgeted** at of 2.2% for 2025/26
- Step increases for unionized staff as per collective agreements (Operators 4.3%, Maintenance 1.9%, MoveUP 2.4%)
- 13 additional operators and 6 maintenance staff to support annualization of 2024/25 expansion; 17 additional operators, 7 mechanics, 1 dispatcher to support 2025/26 service expansion, effective Jan 2026

Key Projects

- Battery electric bus implementation (fleet and infrastructure)
- Operating cost and lease fees to support the new Victoria handyDART Facility, Saanich Transit Centre Phase 1, Victoria Regional Transit Plan and RapidBus projects

BCTransit

2025/26 Budget

(figures in thousands) **Revenues**	**Budget 2024/25**	**Q3 Forecast 2024/25**	**Total Budget 2025/26**
Passenger & Adv Revenue	$43,271	$40,475	$40,836
Safe Restart Funding	5,431	5,431	$0
Provincial Oper Contribution	59,401	59,265	$64,442
Fuel Tax Revenue	17,850	17,290	$17,290
Local Contribution	64,395	67,057	$85,490
Total	**$190,348**	**$189,518**	**$208,059**
Expenses			
Operating Costs	$172,435	$172,332	$187,291
Lease Fees (local share)	$17,913	$17,186	$20,768
Total	**$190,348**	**$189,518**	**$208,059**
Service Hours	**1,023**	**995**	**1,039**

Property Tax Options

VICTORIA REGIONAL TRANSIT SYSTEM
TRANSIT FUND

(figures in thousands)	2024/25 Budget	2024/25 Forecast	Option 1 2025/26 Budget	Option 2 2025/26 Budget	Option 3 2025/26 Budget
FUNDS GENERATED FROM PROPERTY TAXATION					
Estimated Transit Levy per Average Household	**$275.42**	**$276.08**	**$361.67**	**$372.66**	**$386.41**
($ Increase)			**$85.59**	**$96.59**	**$110.33**
(% increase)			**31.0%**	**35.0%**	**40.0%**
Current funds generated from Transit Levy	$62,334	$62,455	$83,891	$86,406	$89,548
Balance from/(to) Transit Fund	$2,061	$4,602	$1,599	($915)	($4,058)
Total Local Contribution	**$64,395**	**$67,057**	**$85,490**	**$85,490**	**$85,490**
TRANSIT FUND					
Opening Balance	$16,168	$16,168	$6,601	$6,601	$6,601
Contribution to expenses	(2,061)	(4,602)	(1,599)	915	4058
Cowichan Valley Commuter					
Contribution to expenses	(198)	(128)	(245)	(245)	(245)
Other					
Safe Restart funding usage	(5,431)	(5,431)	-	-	-
Interest	100	594	100	100	100
Ending Balance	**$8,578**	**$6,601**	**$4,858**	**$7,372**	**$10,514**
Restricted Balance (2.5% of Operating Costs)			$4,682	$4,682	$4,682
Unrestricted Balance			$176	$2,690	$5,832

Recommendation

It is recommended that the Commission:

- **APPROVE** the 2025/26 Budget.
- **APPROVE** Option 2 for a tax regulation to maintain a sufficient Transit Fund balance.